



FINANCE 2.0, THE NEW NORM FOR CFOs

TODAY'S AGENDA

- Evolution of the Finance Role
 - Finance 1.0
 - Finance 2.0
- Key enablers for 2.0
- The benefits of 2.0
- Transformational building blocks
 - Critical Investments
 - Investment Output
- Case studies
- Recap
- Questions

WHAT ARE FINANCIAL LEADERS TRYING TO ACHIEVE?



Efficiency



Time

Production of **accurate** financial statements, **quickly**.



Effectiveness

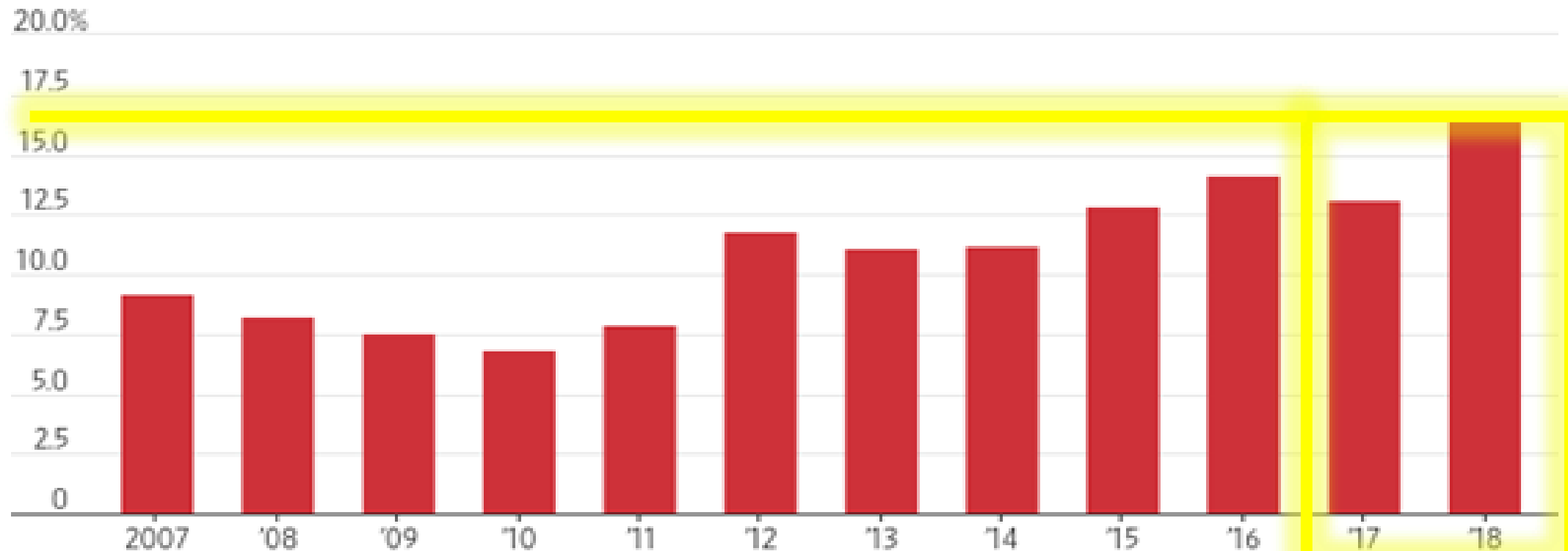


Risk

CFOs RETIREMENT ON THE RISE

Calling It a Career

Retirements as a share of overall CFO exits have been on the rise.



Source: Audit Analytics

FINANCE 1.0 (OLD SCHOOL)



Systems and
tools are
not connected



Accounting and
transaction
processing



Manual
Processes

TRANSFORMATION OF THE FINANCE ROLE

Finance has transformed and continues to evolve as finance teams work to meet demands for technology, automation, and BI.

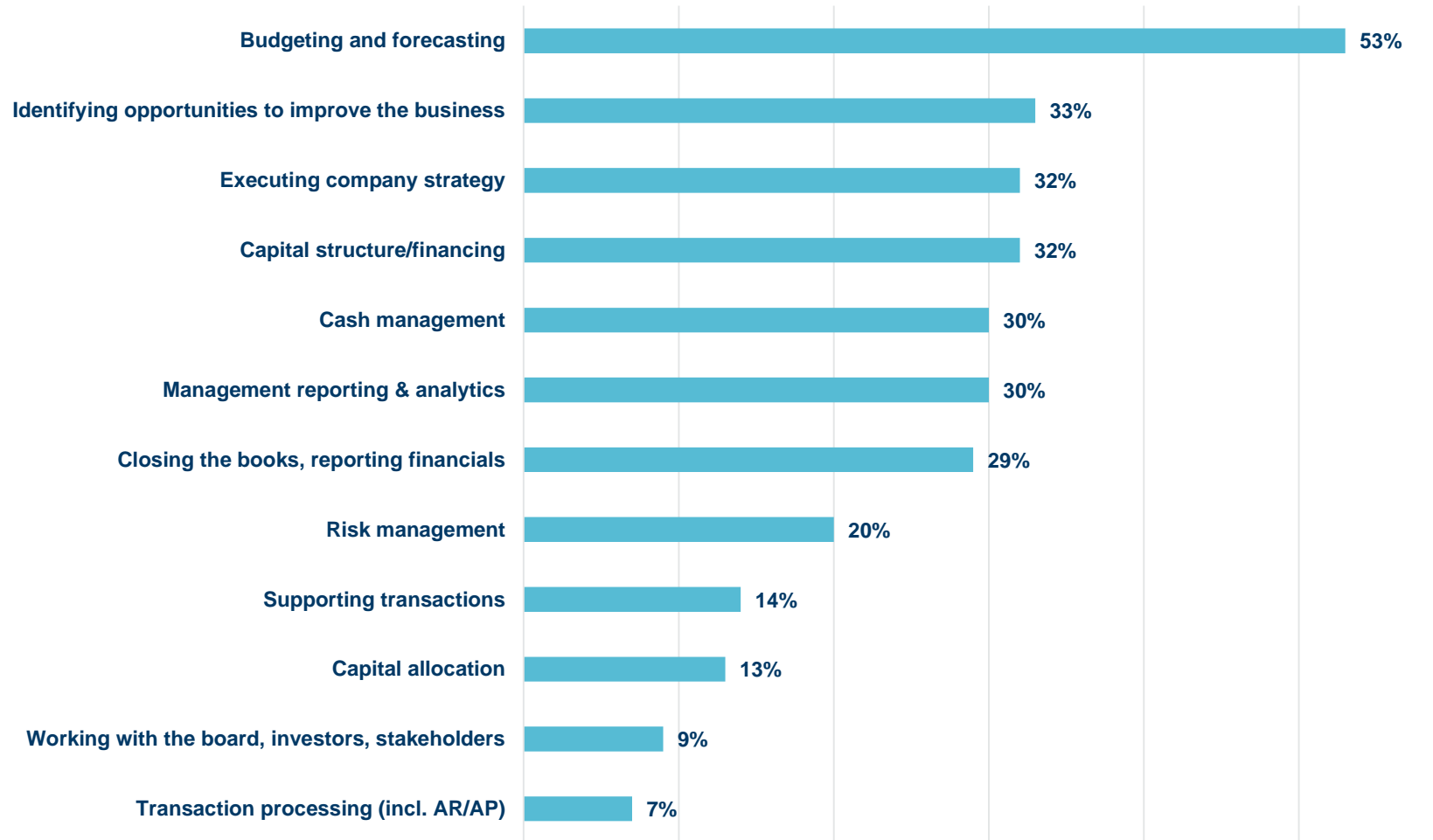


FINANCE 2.0 (THE NEW NORM)

Driving
Company
Strategy

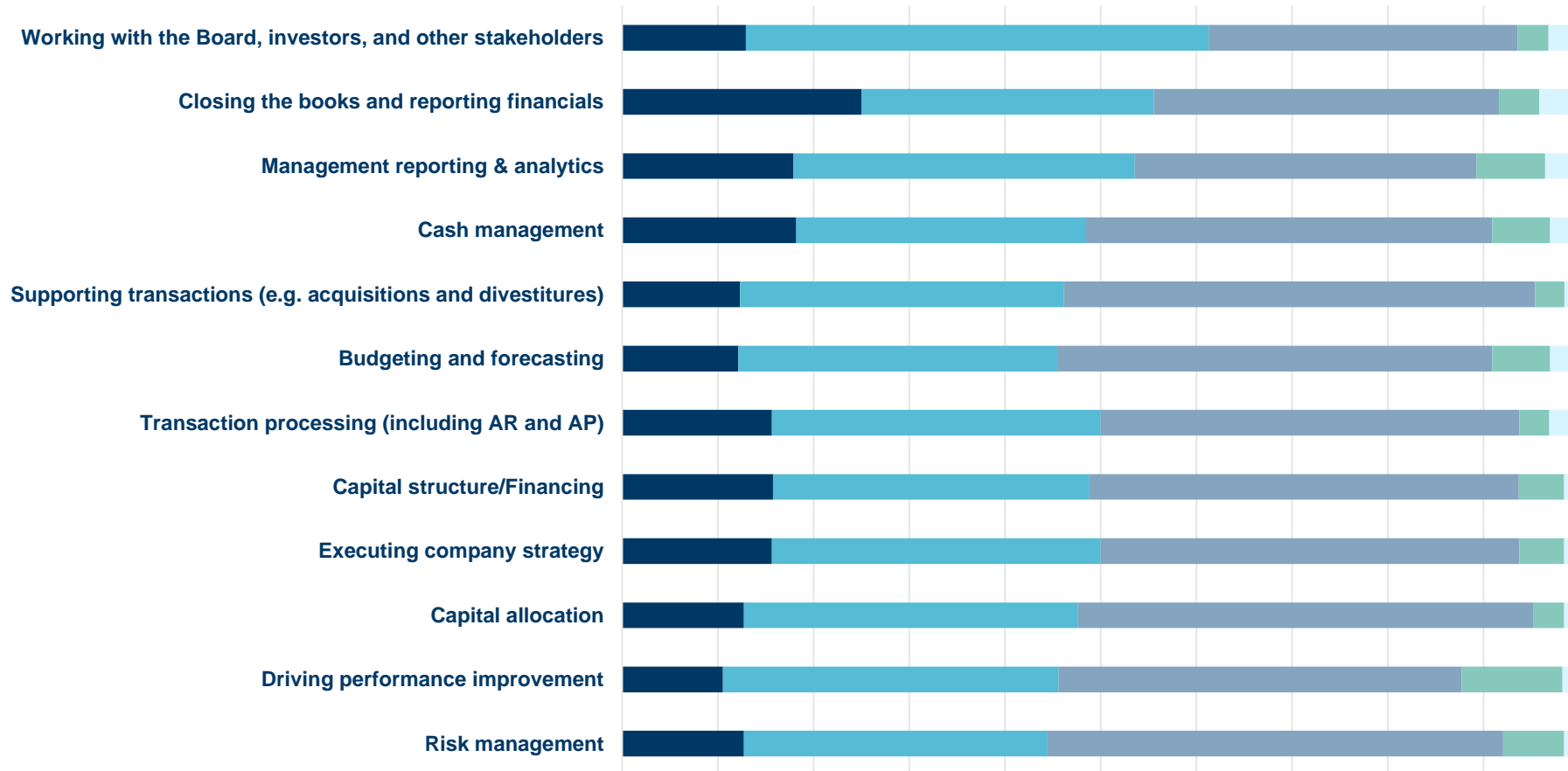


TOP FINANCE TEAM PRIORITIES



EVALUATING ROLE PERFORMANCE

■ 5 - Performs extremely well
 ■ 4 - Performs well
 ■ 3 - Performs ok
 ■ 2 - Does not perform well
 ■ 1 - Performs poorly



POLL QUESTION #1

What financial duties does your team put too much time on monthly? (circle all that apply)

- A) Closing the books
- B) Transaction Processing
- C) Budgeting and Forecasting
- D) Cash Management
- E) Risk Management

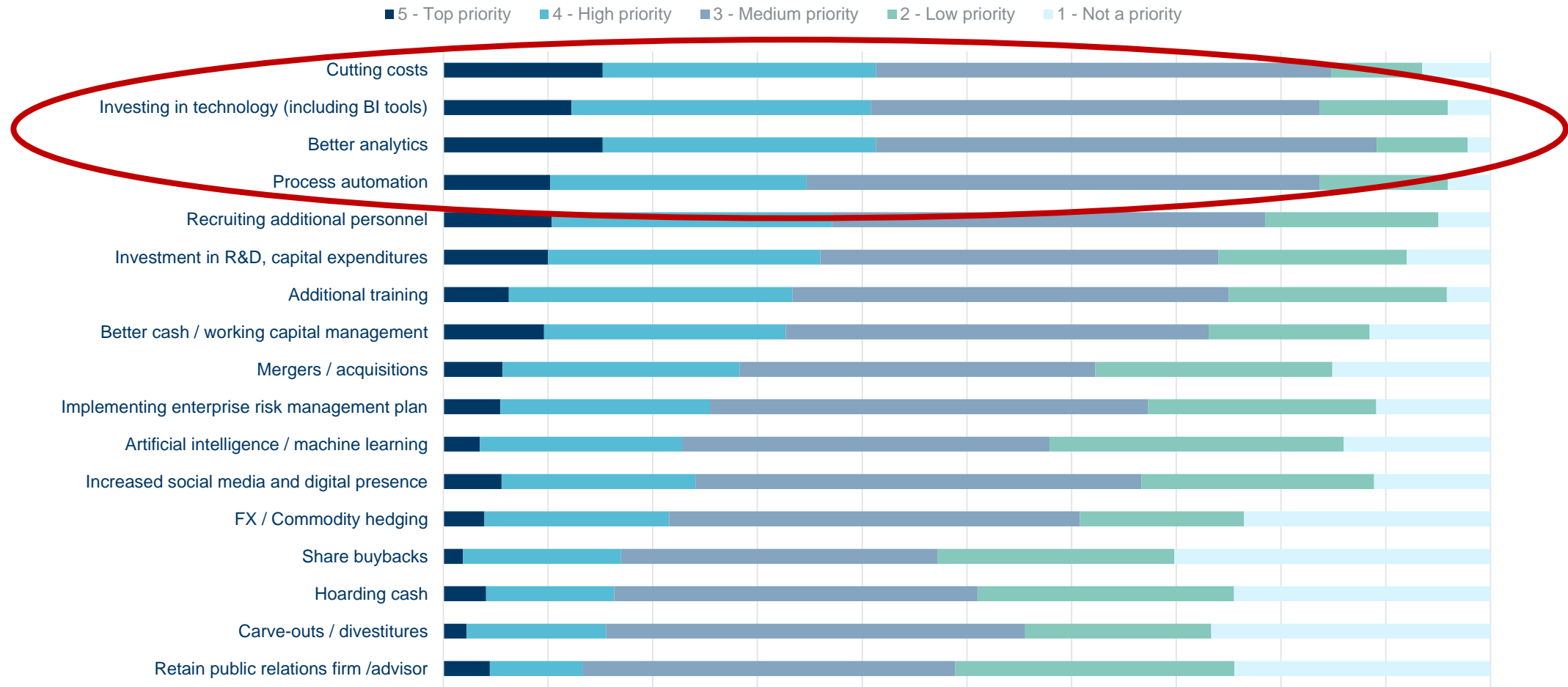


KEY ENABLERS FOR 2.0

BRIDGING REPORTING & ANALYSIS GAPS



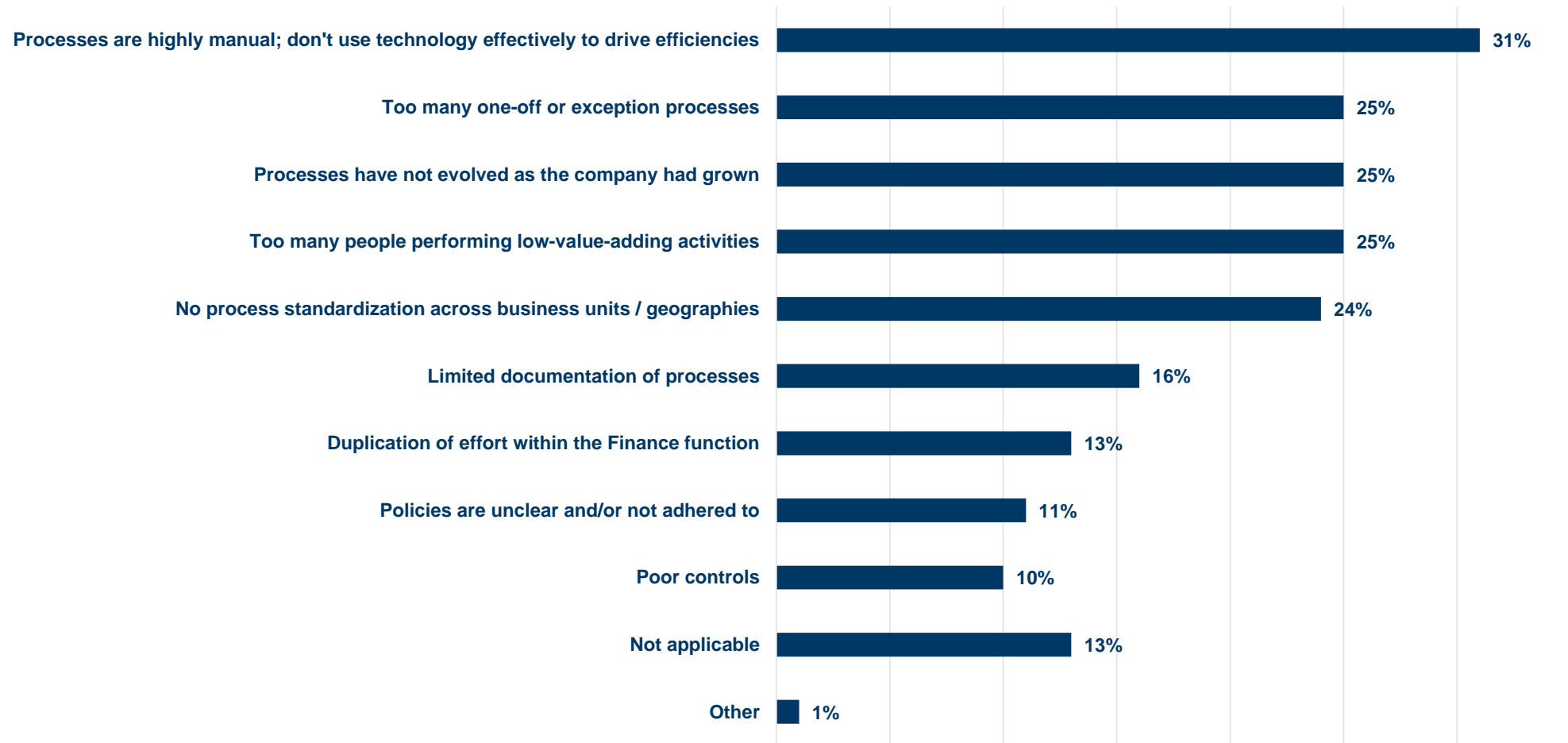
SHORT-MID TERM CHALLENGES



BRIDGING TECHNOLOGY & PROCESS GAPS



PROCESS & POLICY CHALLENGES



BRIDGING TALENT GAPS



PERSONNEL & PROCESS CHALLENGES



THE BENEFITS OF 2.0

Get
time
back



Close *faster* by
up to 50%.

Spend up to
70% *less time* on
balance sheet
reconciliations

Reduce write-offs
up to 10%

POLL QUESTION #2

Which challenge is creating the biggest obstacle for your team?

- A) Reporting
- B) Technology
- C) Processes
- D) Personnel
- E) All of the above



THE EVOLUTION FROM FINANCE 1.0 TO 2.0

TRANSFORMATIONAL BUILDING BLOCKS

The changing role of the CFO

Critical investments

Investment output

Case studies/examples

CHANGING THE ROLE OF THE CFO

Data driven decision making

Information based competitive advantage

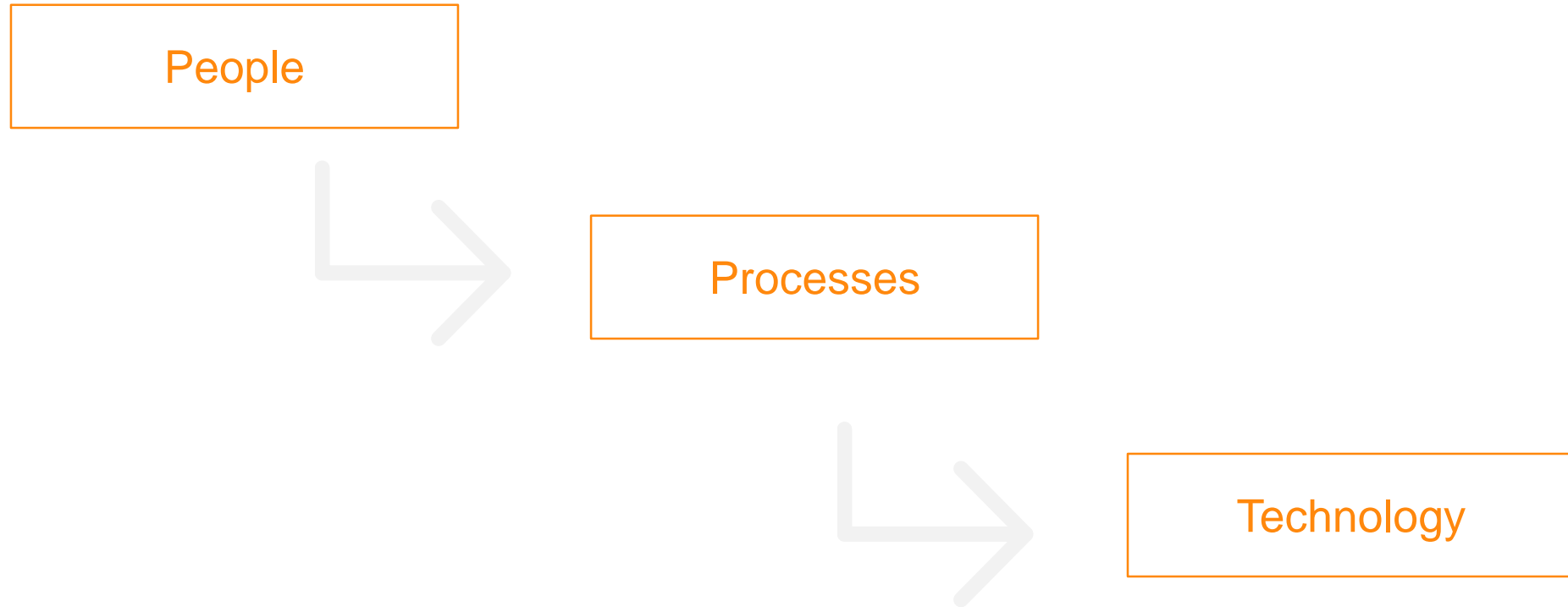
Enhancing speed to insight

Automating
process

Extracting value
from information

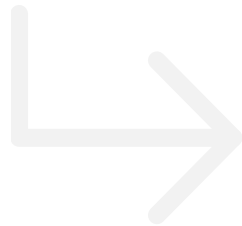
Making decisions
faster

CRITICAL INVESTMENTS

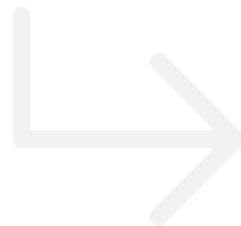


INVESTMENT OUTPUT

Increased employee
satisfaction & retention



Increased customer
satisfaction & attention



Higher performing people =
higher quality work

POLL QUESTION #3

What area of the monthly close process do you feel has the highest risk and visibility?

A Recording Transactions

C Analyzing information

B Closing and consolidating

D Reporting

COMPANY #1

Industry: Financial Services

ISSUES

The client, a private financial services company, was thinking about going public. Due to their hypergrowth, they were struggling from a reporting perspective; their processes were still the same from when they were a small start-up.



APPROACH

The firm was engaged to implement an automated reporting process that was scalable to the growing demands of the company. Instead of wasting time on manual entries, their team could focus on the complex areas of the reporting function.



OUTCOME

As a result of this engagement, the following outcomes were achieved:

- The company was able to maintain the same size of the reporting team through the hypergrowth period
- Errors reduced by over 60% in their reporting function
- Structure was now in place to allow for growth
- Reduced the time from period end to draft 1 by 11 days



COMPANY #2

Industry: Manufacturing

ISSUES

The client, a larger public manufacturing company, had been spending 20 days every month closing out their prior month. The company had been growing through many acquisitions, causing their reporting process to have many moving parts. This led to excessive time being lost on their monthly close.



APPROACH

The firm was engaged to cut down their time spent on monthly close. The reporting process across all of the acquired companies was standardized. Each company's unique ERP was switched to one common one. By making the process across each unit simpler, the monthly close was simplified.



OUTCOME

As a result of this engagement, the following outcomes were achieved:

- Reduced the time spent on monthly close from 20 days to 10 days
- Time spent on moving data from system to system was reduced by 95%
- Team role expanded due to roughly 60% decrease in workload
- Structure in place allowed for more acquisitions



COMPANY #3

Industry: Retail

ISSUES

The client, a large retail company, had hundreds of brick and mortar locations across the US. The company struggled with bank reconciliations as the process was done manually every day at each location. Each store had their managers deposit cash at the local bank. At HQ, teams of contractors and part time workers spend many hours in reconciling cash to bank statements and to the POS systems. This led to many errors and delays in their cash management process.



APPROACH

The firm was engaged to implement an automated and standardized cash reconciliation process that could be applied to all locations.

The firm took the most refined process across all of the locations and applied this process to all. The process was then automated through RPA (robotic process automation).



OUTCOME

As a result of this engagement, the following outcomes were achieved:

- The company eliminated the reliance on part time contractors 100%
- Cash management errors were reduced by 90%
- Audit focus and fees reduced by 20% as a result
- Structure was now in place to allow for opening of more locations
- Employees could focus on the store management



RISKS & CONTROLS



Change in processes
can alter risks/controls



Make sure proper compliance
& governance personnel are
involved in overhaul

POLL QUESTION #4

Have you considered the implications on risks and controls to the financial transformation process?

A Yes

C Not a priority

B Not enough budget

D Uh, what?



RECAP

LET'S REVIEW

- The factors that are causing transformation from Finance 1.0 to 2.0
 - Identify growth opportunities
 - Improve BI and Analytics
 - Align with corporate objectives
- Key enablers that help to drive the transformation
 - People
 - Processes
 - Technology
- 2.0 Outputs
 - Close faster
 - Streamline processes
 - Improve employee morale and retention



QUESTIONS?

READY TO TRANSITION TO FINANCE 2.0?

Embark

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Why Adra?

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